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# KOSOVO WATER INSTITUTIONAL SECTOR REFORM (K-WISER)

## FIRST ANNUAL REPORT

**OCTOBER 2010**

**Report No. 13**

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

# Kosovo Water Institutional Sector Reform (K-WISER)

First Annual Report

October 2010

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## **LIST OF ACRONYMS**

BOOT	Build Own Operate Transfer
DMA	District Metering Areas
ECLO	European Commission Liaison Office
FY	Fiscal Year
GOK	Government of Kosovo
GTZ	German Technical Cooperation Program
IFI	International Finance Institution
IPH	Institute of Public Health
KEK	Kosovo Electricity Corporation
KfW	Kreditanstalt fuer Wiederaufbau
KPI	Key Performance Indicator
KTA	Kosovo Trust Agency
MEF	Ministry of Economy and Finance
MESP	Ministry of Environment and Spatial Planning
MTI	Ministry of Trade and Industry
PA	PA Government Services Inc.
POE	Publicly Owned Enterprise
POE-PMU	Publicly Owned Enterprises – Policy and Monitoring Unit
PSP	Private Sector Participation
RWC	Regional Water Company
SDC	Swiss Development Corporation
SHUKOS	Water and Wastewater Works Association of Republic of Kosovo
UNMIK	United Nations Mission in Kosovo
USAID	U.S. Agency for International Development
WWRO	Water and Waste Regulatory Office

## **1. EXECUTIVE SUMMARY**

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This first annual report of the K-WISER project develops highlights the achievements of the project during year 1. At the strategic national level the project has:

- ❖ Reviewed legislation regarding private sector participation and promoted PSP as a viable option for sector development
- ❖ Promoted cooperation between municipalities and regional water companies
- ❖ Implemented Board of Directors training and development plan
- ❖ Developed core competencies framework for executive management teams
- ❖ Supported sector development plans of Kosovo Government

With regard to project targets key successes include:

- ❖ Development of MoUs between RWCs and municipalities
- ❖ Review of management systems and preparation of specifications for purchase of equipment in Peja and Prizren regions
- ❖ Requests for Approval and Environmental Reviews on five separate infrastructure schemes
- ❖ Review of reporting on Key Performance Indicators
- ❖ Development and implementation of improvement plan for meter reading in Prizren
- ❖ Development of core competencies framework for executive management teams

These achievements have enabled a close working relationship to develop between the K-WISER team and the water company staff which is proving invaluable as the project becomes more deeply involved in the operations of the companies.

One of the major milestones during year one was the completion of the baseline study which gave the project a detailed understanding of the operations of the two targeted water companies, from which K-WISER has been able to prepare the plans to provide relevant support to improve performance. At a time when both Hidrodrini and Hidroregjioni Jugor RWCs were heavily engaged with other projects, K-WISER has been able to build strong links with management teams in both companies, based on the substantial technical and operational experience of the K-WISER team, which will be of significant benefit as the project progresses. The change in management at Hidroregjioni Jugor has been a positive change with the new CEO willing to work closely with the K-WISER team to develop the company along progressive lines.

During the year K-WISER has reviewed the detail of existing reports from WWRO and others and has a greater understanding of the challenges facing the water companies, which is allowing the project to confront difficult issues head-on. This includes water losses, and particularly illegal use of water as well as the avoidance of paying for water (as opposed to lack

of willingness to pay!). It has become clear that companies need to have direction and encouragement to meet objectives and K-WISER is supporting the management teams in providing that direction.

K-WISER has achieved a number of strategic objectives including implementing training for Boards of Directors, developing Memoranda of Understanding with municipalities, and developing training needs for management teams. The project has also carried out reviews of MIS systems and prepared recommendations for improvements in both Hidrodrini and Hidroregjioni Jugor RWCs, for implementation under component 3 of the project. We have carried out a review of the reporting of KPIs and are currently working with the water companies to improve levels of reporting.

These achievements are enabling K-WISER to move into year two with the support of the companies and with confidence that an accelerated program of development can be achieved.

The water companies face a number of challenges which restrict their ability to implement all the aspects of the project at the pace required. These include the absorption capacity of the companies which has been less than anticipated, resulting in a slower implementation of some of the planned activities. Both companies have been working with a separate USAID funded project, and also with a major investment program of KfW, both of which have required substantial input from company staff. This, coupled with the management hiatus and subsequent changes that took place in Prizren, meant that the attention given to the K-WISER project in the early part of the project was less than expected. However, due to the effort of the K-WISER team the project has been able to achieve a level of cooperation within the companies that will show continually improving results over the next two years.

Whilst working with the companies K-WISER has observed some of the obstacles that are restricting the pace of development, including lack of political will, lack of direction for the companies, ability of staff to adapt to the business culture, competency of the Boards of Directors and not least the pressures of day to day management. A particular issue that has been identified is 'institutional lethargy' – the impression that the staff of the companies will do enough to show an improvement in performance, but not 'going the extra mile' to achieve excellent or even good performance. The need to motivate staff and management teams is therefore becoming a priority. In relation to this the emphasis of the project has therefore shifted slightly, from focusing directly on staff development to developing the company as a whole and providing staff with tools to carry out their duties correctly. This in turn will provide the staff with the training and competences needed for the companies to perform better. Whilst short term deliverables will continue to be achieved, the underlying aim is to steer the companies towards being effective businesses using best industry practices.

The infrastructure and equipment program has been streamlined and improved following lessons learned during implementation of the pilot projects in Peja and Prizren, particularly relating to data gathering, design specifications and contract preparation. We have planned, therefore to complete much of this program during the second year of the project with only a few smaller projects to be completed in year three.

## **2. INTRODUCTION**

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### **2.1 BACKGROUND**

USAID is funding a major project in Kosovo to provide support to the water supply and sanitation sector through utility strengthening and reform in targeted Regional Water Companies (RWCs) over the medium term. This assistance is coupled with complementary direct infrastructure investments to improve the quality and sustainability of water and sanitation services in the near term.

The K-WISER project is being implemented by prime contractor PA Government Services Inc. (recently acquired by Tetra Tech Inc.), supported by sub-contractors Environet LLC and Stella Consulting. A small team was set up in Kosovo to undertake the work.

The project addresses the challenges in partnership with the Government of Kosovo, RWCs, municipalities, civil society and the private sector. The project also recognizes the current efforts of other donors in the sector and is working with them to obtain synergies in the implementation of programs where appropriate. Several USAID-funded projects are also working in the sector or on related matters (e.g., private sector participation). K-WISER is cooperating closely with those projects to capitalize on their achievements and lessons learned to date.

### **2.2 TASK DESCRIPTIONS**

The project comprises three inter-related components, where USAID has a comparative advantage in addressing the fundamental problems of water supply and sanitation utility performance and sustainability in Kosovo. These components each have a number of defined tasks:

- **Component 1: Strengthened enabling environment and national-level water supply and sanitation policy reform**
  - Task 1.1: Support effective operation of RWC Boards at the national scale
  - Task 1.2: Support the development of a legal/regulatory framework for eventual private sector participation in the water supply and sanitation sector
  - Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale
  - Task 1.4: Strengthen civil society engagement at the national level in water supply and sanitation governance
- **Component 2: Strengthened Hidrodrini and Hidroregjioni Jugor Regional Water Companies for improved water supply and sanitation service access and sustainability**
  - Task 2.1: Build the capacity of managerial staff in targeted RWCs
  - Task 2.2: Strengthen integrated information management for enhanced performance of targeted RWCs



- Task 2.3: Strengthen satellite business units in targeted RWCs
- Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments
- Task 2.5: Enhance public awareness and consumer behavior change to support more effective water supply service delivery and sustainable water resources management in targeted RWCs
- **Component 3: Targeted investments in infrastructure rehabilitation to support overall system sustainability and sector reform in Hidrodrini and Hidroregjioni Jugor RWCs**
  - Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs
  - Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability.

K-WISER's components are being implemented so that maximum synergy is developed throughout the project period. For the water companies to benefit from the infrastructure element of the program, they are required to meet certain criteria in respect of Components 1 and 2.

## 2.3 KEY PERSONNEL

### Staffing

The K-WISER team consists of:

**Table 1.1**

#### **Staffing**

<b>Name</b>	<b>Position</b>	<b>Company</b>
██████████	Chief of Party	PA Government Services (Tetra Tech)
██████████	Deputy Chief of Party	Environet LLC
██████████████████	Regional Technical Coordinator	Environet LLC
██████████	Field Technical Coordinator	Stella Consulting
██████████	Finance and Grants Manager	Environet LLC
██████████████████	Office Manager	PA Government Services (Tetra Tech)

Name	Position	Company
██████████	Translator	PA Government Services (Tetra Tech)

The Kosovo team is supported from PA's head office by:

██████████ (Partner-in-Charge), and ██████████ (contracts manager).

### **3. ACHIEVEMENTS IN YEAR 1**

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#### **3.1 INTRODUCTION**

The K-WISER project has achieved some significant success during the first year of activity and has prepared the ground for substantial development of the two regional water companies during years two and three of the project. This section of the work plan briefly describes the activities and achievements of year 1 of the project.

In addition to the particular activities and targets set out in the initial life-of-program work plan the project team has been fully engaged in preparing base-line data to fully understand the operations of the two companies. The team has also been working with staff and management of the companies to provide support and development in operational activities. This work has helped build confidence between the companies and the project which is essential for the overall implementation of K-WISER, particularly when both Hidrodrini and Hidroregjioni Jugor RWCs have several donors and implementers working with them concurrently. It should also be noted that the K-WISER project requires the companies to develop and improve their operating practices in order to benefit from the infrastructure development component of the project, and much has been accomplished in year 1 of the project in this regard, particularly to improving meter reading and collection.

The project arranged for memoranda of Understanding to be signed by both PA Government Services and the Regional Water Companies setting out the objectives and obligations of each party. These were signed at a celebration marking World Water Day on March 22, 2010,, held in Prizren, and witnessed by the Mission Director of USAID.



MoU signing ceremony in Prizren

#### **3.2 COMPONENT 1 – NATIONAL LEVEL ACTIVITIES**

##### **3.2.1 Board of Directors Training and Development (Task 1.1)**

The project has carried out a substantial development program for members of all boards of directors of the seven regional water companies in Kosovo starting with a fact-finding workshop, a skills and knowledge questionnaire and a series of training and development workshops for

the board members. These workshops have been implemented in cooperation with the POE policy and monitoring unit of the Ministry of Finance and have included modules on responsibilities and ethics, understanding of the water sector and financial understanding of company accounts.

There is a further day of training to be implemented which will take place in October 2010 which will complete the work planned for the development of members of the boards in accordance with the initial life-of-program work plan.

### **3.2.2 Private Sector Participation (Task 1.2)**

The project has completed the review of relevant laws and concluded that there is no impediment to implementing private sector participation (PSP) in the water sector. The Law on Private Sector Participation, drafted by a separate USAID funded project, enables water companies to engage in PSP activities, subject to approvals from the Kosovo Assembly. In addition the Law on Publicly Owned Enterprises (POEs) allows the Government of Kosovo to sell or dispose of its shares in the companies, also subject to approval of the Kosovo Assembly. This was reported in the base-line study and completes the first part of the PSP activities.

### **3.2.3 Key Performance indicators (Task 1.2)**

The short term expert has carried out the review of reporting of KPIs together with the analysis of existing KPIs and their definition and the report is under preparation with anticipated completion at the end of September. Initial indications are that there is little need to change the definitions of KPIs which were developed in accordance with international norms, although greater emphasis needs to be made on the financial aspects of activities that will support business performance rather than being a means of comparison of RWC performance. Detailed work on the methodology of collecting and reporting data by the targeted RWCs is continuing, and will be followed up in each year of the project to support the companies in improving measurement and hence understanding the business position more clearly.

### **3.2.4 Managerial Strengths and Weaknesses (Task 1.3)**

The project team has completed the review of the strengths and weaknesses of the management teams of each of the Regional Water Companies, in order to prepare an outline training and development plan to be implemented in the rest of the project. The report is to be submitted during September 2010 and marks the completion of this part of the task.

### **3.2.5 Core Competencies Framework for Technical and Managerial Staff (Task 2.1)**

The core competencies framework has been completed and presented to USAID and other stakeholders including POE-PMU and the targeted Regional Water Companies to use in future appointments.

### **3.2.6 Training Needs Assessment in Targeted RWCs (Task 2.1)**

The training needs assessment has been carried out as part of the review of strengths and weaknesses undertaken in Task 1.3. This assessment is to be used in developing the training plan for the executive management teams in the targeted RWCs.

### **3.2.7 MIS Systems Review and Development (Task 2.2)**

The project has completed the base-line assessment of hardware and software, the technical capacity and the needs assessment for the Companies and the technical specifications prepared for implementation of the necessary equipment and training of staff, which will be carried out in years 2 and 3 under Component 3 of the project.

### **3.2.8 Needs Assessment and Gap Analysis of Business Units (Task 2.3)**

The needs assessment and gap analysis has been completed and findings included in both the base-line study and the MIS systems report as these issues are closely linked.

### **3.2.9 Review and Implementation of MoUs Between RWCs and Municipalities (Task 2.4)**

The project has completed a thorough review of existing MoUs between RWCs and Municipalities and has proposed improvements to be implemented as the existing MoUs are renewed. Because many of the Regional Water Companies have already signed MoUs with relevant municipalities based on the original model prepared by the Water and Waste Regulatory Office, it would be inappropriate to make changes until these are due for renewal. Additionally the Water Task Force, WWRO and its consultants and the Ministry of Local Government are all concerned parties with related objectives, and it is therefore proposed that activities between the interested parties are coordinated to achieve full implementation. K-WISER will continue to develop improvements based on discussions to be held during Year 2 of the project.

### **3.2.10 Public Awareness and Behavioral Change (Task 2.5)**

K-WISER has completed the review of public awareness campaigns carried out by the targeted RWCs and included comments in the base-line study. The project has carried out a workshop with customer related staff of Hidrodrini and Hidroregjioni Jugor RWCs and will develop programs based on the results of the workshop.

The project has also carried out a review of the operation of the Customer Councils to identify weaknesses and to prepare a training program for members to develop their knowledge and their advocacy skills in working with RWCs.

### **3.2.11 Infrastructure and Equipment Program (Tasks 3.1 and 3.2)**

K-WISER has completed Environmental Reviews and Requests for Approval for five projects in Prizren and Peja, namely:

- Sahat Kulla (Peja pilot project)
- Emin Duraku (Prizren pilot project)
- Bujar Godeni (Prizren)
- Haziz Ismail (Prizren)
- Zatrati (Peja)

Preparation work is currently under way on further projects in Peja and Istog.

Detailed design work has been completed and contracts for construction have been awarded for both Sahat Kulla and Emin Duraku projects.

Technical specifications have been prepared for management information systems and contract preparation and installation work will take place in Year 2 of the project.

#### 4. CHALLENGES

The challenges facing the sector are many and varied, and whilst some have a detrimental effect on project implementation, there are mitigating actions that the K-WISER team can take and has taken to minimize these effects. One of the most important factors has been the development of strong working ties with the Chief Executives and staff of the companies, based on the skill and experience of the K-WISER team, which has enabled a good working relationship to develop. These challenges are highlighted in the table below:

Challenge	Risk	Mitigating Action
Absorption capacity of Water companies and staff is sufficient to enable developmental changes to occur, particularly as both companies have major projects in progress with another USAID project and other donors	Necessary changes are not made, or lack ownership by management of RWCs; information is slow to be provided; companies develop more slowly than anticipated	K-WISER works with management team to develop programs with timing to meet needs of companies.  Provide competent advice and support based on experience
Water company staff have the sense of drive and urgency to meet the objectives of the company	Institutional lethargy will lead to poor customer response, negative impacts on revenue collection, worsening water losses etc	K-WISER works with staff of company to provide encouragement and direction and provide CEOs with support to overcome these issues
Water company management and staff may not be committed to development	Poor commitment will lead to inability to implement program and reduced investment in infrastructure	K-WISER works closely with key managers and staff to ensure ownership of process and cooperation in implementation
Government is committed to make any changes necessary in Boards of Directors	Where necessary changes are not implemented, governance of RWCs will be impaired	K-WISER works closely with POE-PMU to develop and implement proposals for improvement. Also to work closely with Water Task Force to achieve synergies from the programs
No political influence in Board and management appointments to RWCs	Companies may respond to political rather than technical priorities.	K-WISER works closely with POE-PMU to develop and implement criteria for appointment of Board members and managers
Stakeholders are committed to development of private sector participation in the water sector	Poor identification of suitable PSP projects and slow implementation of PSP	K-WISER works closely with all stakeholders to identify options, opportunities and methodologies for PSP.

		It will provide high-level support to enhance decision making capacity regarding PSP
RWCs to ensure that all land is available for any infrastructure work	Unclear or contested ownership will delay or prevent construction	K-WISER works closely with RWC to identify schemes, route and land requirements, and ensure that correct authorities are in place
Cooperation by municipalities	Delayed or prevented construction/installation	K-WISER to require RWCs to obtain all necessary permits in advance of tenders



## **5. PROJECT IMPLEMENTATION PROGRESS**

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### **5.1 OVERALL OBJECTIVES**

The overall goal of the K-WISER program is:

***To support the financial and technical sustainability of Regional Water Companies to improve water supply and sanitation services for the population of Kosovo as a foundation for economic growth and social well-being.***

The underlying principle of this work plan is to further support the development of the Regional Water Companies so that any investor – whether, IFI, donor, government or private sector investor, will be satisfied that their investment will provide a sustainable return, both in financial and social terms. K-WISER will work with all the key stakeholders to achieve this aim in the two targeted RWCs and through the training and development element of the project, with all other RWCs.

### **5.2 COMPONENTS AND TASKS**

The project comprises three separate but linked components, each with a number of specific tasks:

- **Component 1: Strengthened enabling environment and national-level water supply and sanitation policy reform**
  - Task 1.1: Support effective operation of RWC Boards at the national scale
  - Task 1.2: Support the development of a legal/regulatory framework for eventual private sector participation in the water supply and sanitation sector
  - Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale
  - Task 1.4: Strengthen civil society engagement at the national level in water supply and sanitation governance
- **Component 2: Strengthened Hidrodrini and Hidroregjioni Jugor Regional Water Companies for improved water supply and sanitation service access and sustainability**
  - Task 2.1: Build the capacity of managerial staff in targeted RWCs
  - Task 2.2: Strengthen integrated information management for enhanced performance of targeted RWCs
  - Task 2.3: Strengthen satellite business units in targeted RWCs
  - Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments

- Task 2.5: Enhance public awareness and consumer behavior change to support more effective water supply service delivery and sustainable water resources management in targeted RWCs
- **Component 3: Targeted investments in infrastructure rehabilitation to support overall system sustainability and sector reform in Hidrodrini and Hidroregjioni Jugor RWCs**
  - Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs
  - Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability.

K-WISER's components are being implemented so that maximum synergy is developed throughout the project period. For the water companies to benefit from the infrastructure element of the program, they are required to meet criteria related to improvements in operations, attendance at training events etc in respect of Components 1 and 2. These criteria were defined in the Initial life-of-program work plan.

### **5.3 COMPONENT 1 STRENGTHENED ENABLING ENVIRONMENT**

This component deals with national-level issues including operations of the Boards of Directors of the RWCs, legal status regarding private sector participation, overall strengthening of senior management in the RWCs, and strengthening of civil society in relation to the sector.

#### **5.3.1 Task 1.1: Support effective operation of RWCs at the national scale**

K-WISER is working with the POE-PMU and Boards of Directors of all the Regional Water Companies to improve their effectiveness. The underlying objective is to develop the Boards so that the companies are run in accordance with best business practices and in such a way that external investors are persuaded that funding projects or investing funds is a profitable and beneficial venture.

##### **a. OBJECTIVES**

- RWC Boards operating in a capable, professional and ethical manner
- Clear and comprehensive RWC Board rules and procedures in place.

##### **b. PROGRESS**

Following a workshop held in February to determine development needs of board members, the training program commenced in May 2010. Although it was originally anticipated that two days training would be sufficient to provide the technical support needed by the board members it was discovered that a broader program was required which encompassed financial as well as technical issues, together with a clear definition of the role of the boards. Four days training was carried out in May 2010 with completion of all training in October 2010. The training days in May were organized and held in cooperation with the POE-PMU of the Ministry of Finance and Economy.

The professional needs of the board members were developed from a workshop held in February 2010 which was augmented by a questionnaire that the members completed. These showed development needs in all aspects of the Board members activities including understanding of the water sector and company operations, ethics and responsibilities and understanding of financial and technical reporting. The subsequent training courses have been developed on the basis of these findings.

The preparation of revised rules and procedures is in process but is delayed as it is considered more realistic to develop these rules following completion of training courses.



Board of Directors Development workshop – February 2010



Board of Directors training days May 2010



Board of Directors training days May 2010

c. *DELIVERABLES – TASK 1.1*

The following deliverables were scheduled for completion during the first year of the project;

No	Task	Output	Completion
1	Analysis of professional development needs of RWC Board members	Report	April 30, 2010
2	Short- and long-term training for RWC Board members on best practice in corporate governance of water supply, sanitation, and wastewater utilities	1 <sup>st</sup> training course	May 14, 2010
3	Draft of revised rules and procedures for Boards	Report	Delayed to year 2

**5.3.2 Task 1.2: Support the development of the legal/regulatory framework for eventual private sector participation in water supply and sanitation**

Much progress has been made in providing a legal base for the implementation of PSP in publicly owned enterprises in Kosovo, but there remains some considerable resistance to PSP within the water sector, Government and key stakeholders, despite the high capital requirements needed to provide adequate water and sanitation services. K-WISER is supporting the process of PSP through developing regulations, providing clear examples of the alternative types of PSP and the distinct benefits of implementing such schemes.

a. *OBJECTIVES*

- Legal/regulatory foundation strengthened for increased private sector engagement in water supply/sanitation service delivery

- At least one policy/legal or institutional reform to facilitate private sector engagement in the water supply/sanitation sector
- At least one private sector investment made in one of the targeted water companies
- Substantial improvement in the accuracy of reporting KPIs to WWRO.

b. *PROGRESS*

The K-Wiser team made a detailed review of laws applicable to the water sector to determine whether there was any restriction to implementing private sector participation. Considerable work had already been undertaken by a separate USAID funded project which had prepared a law on private sector participation for publicly owned enterprises. The Law has been promulgated following signature by the President. This law clearly enables PSP and none of the other applicable laws relating to the sector prevent it. There is therefore no impediment to the implementation of private sector participation in the water sector. The findings of the project were included in the base-line report which was completed in March 2010.

K-Wiser has completed a review of the shortfalls in KPI reporting and the definitions of KPIs and a report has been prepared to indicate areas for improvement. The principle issue is the capture of accurate information for all operations of the company – the two most important items being the volume of water produced, and the volume of water sold. Both of these are subject to error and misreporting and measurement and recording needs to be improved.

This report indicates that there is insufficient discipline in recording and reporting data and that the accuracy of the data is, in some cases, inadequate.

c. *DELIVERABLES – TASK 1.2*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Completion
1	Analysis and recommendations for reforming current legal/regulatory frameworks or institutional arrangements to facilitate private sector involvement in investment and management/operations of water supply and sanitation services	Report	March 31, 2010
4	Analysis of shortfalls in KPI reporting by targeted RWCs to WWRO	Report	Analysis carried out in July. Report prepared September 2010

### 5.3.3 Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale

The development of managers and key staff is a critical part of the development of the water sector to enable it to meet the growing expectations of customers, and to meet international best practice in the sector. Interaction between peers, formal training and presentations by experts all form part of the portfolio of activities that K-WISER will undertake to meet these objectives.

#### a. *OBJECTIVES*

- Permanent structures in place to provide on-going capacity building opportunities to RWC managerial and technical staff
- Strengthened national network for sector-wide RWC sharing and learning
- Formal management training provided for selected staff (subject to available funding).

#### b. *PROGRESS*

There has been good progress on these tasks, particularly in understanding the needs of the management teams in the Regional Water Companies. K-WISER developed a questionnaire to better understand how the companies function and what development issues were necessary. These questionnaires were designed to establish the strengths and weaknesses of the management teams of all RWCs in Kosovo and were targeted at each management post e.g. CEO, Finance manager, Company Secretary, Operations manager etc. The work was carried out in conjunction with SHUKOS and future seminars and workshops will be undertaken in cooperation with them. The report, which was completed in September, 2010 indicates that whilst it is clear that there are different needs across the companies, there are some common threads, which are to be developed into the training seminars in year 2 of the project.

#### c. *DELIVERABLES – TASK 1.3*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Completion
1	Detailed review of RWC managerial strengths and weaknesses	Report	September 30, 2010
2	Short- and long-term training programs for water and sanitation managers and senior technical staff, to be established in Kosovo institutions.	Report	Under development in conjunction with Water Task Force

#### **5.3.4 Task 1.4 - Strengthen civil society engagement at the national level in water supply and sanitation governance**

Customers have not traditionally had a strong voice in Kosovo's water sector, presumably preferring non-payment rather than entering into discussions with a seemingly remote water supplier. As a result there has been little public complaint, and civil society organizations have not developed. Some NGOs have carried out water-related programs at the local level, but none appear to have developed at the regional or national level. As the population of Kosovo develops and demands improved water services, the demand for non-government organizations will grow. K-WISER will support the civil society sector through training in basic water issues and also in advocacy. Initially the objective will be to locate those organizations interested in working in the sector, whilst working with existing customer councils to develop their representative role and advocacy skills.

##### **a. OBJECTIVES**

- Increased effective and constructive civil society engagement in water supply/sanitation governance and decision making
- Increased number of functioning customer relations departments established in Kosovo RWCs that apply sector best practices and standards.

##### **b. PROGRESS**

No deliverables were anticipated in year 1 of the project under this specific task. However K-WISER has carried out a detailed review of the operation of the Customer Councils, which work under the auspices of the WWRO. The study will lead to a short training program to be carried out during the second year of the contract.

### **5.4 COMPONENT 2 STRENGTHENED RWCS FOR SUSTAINABILITY**

Capacity building is a widespread need in Regional Water Companies throughout Kosovo to improve operating efficiencies, financial sustainability, and the long-term viability of the water companies. The RWCs have deficiencies in many areas including lack of business planning and internal controls, inefficient staffing ratios, low revenue collection, high water losses, etc. This component deals with specific issues related to Hidrodrini and Hidroregjioni Jugor RWCs, in particular, building managerial and technical capacity, strengthening management information systems in the companies, strengthening the satellite business units, improving coordination with municipal governments and enhancing customer awareness to effect customer behavioral change with regard to bill payment.

#### **5.4.1 Task 2.1 Build the capacity of managerial and technical staff in targeted RWCs**

The project will develop and implement a comprehensive training program for RWC managerial and technical staff to improve department performance. Furthermore the project will introduce internal reporting/controlling systems in all departments.

a. *OBJECTIVES*

- A strengthened mid to high level RWC management cadre with competencies in utility management best practices and reforms
- Capable technical staff in all areas of RWC management, operations and maintenance

b. *PROGRESS*

K-WISER has established baseline competencies for each of the senior positions in the RWCs and has undertaken a detailed training needs analysis of the staff. This aspect of the project is one of the most challenging as, although it would be relatively simple to implement a training program it has become clear that there is considerable 'on-the-job' development required to support managers in initiating and implementing the level of effort needed to improve the performance of the two companies. Managers struggle with institutional lethargy in their staff, who lack motivation and incentive to improve performance. This is a result of lack of direction, political interference, lack of clear responsibilities, poor rewards and poor discipline amongst others. K-WISER has therefore implemented a program of working with the management teams and staff to provide guidance and support in improving performance. The on-the-job training process includes the following points:

- Business plan as the main management, monitoring and self-evaluation tool
- Defining weekly, monthly and yearly objectives and specific targets for all staff
- Develop and introduce internal reporting/controlling systems
- Link monitoring to performance targets, which may in due course be related to a performance-related pay system

Through a process of working closely with managers we have been and continue to assist in improving operational efficiency through:

- Reducing operating costs
  - Carefully reviewing all aspects of the operations, including use of manpower, materials, energy etc to determine whether work is necessary, productive and efficient.
- Reducing water losses
  - By reducing water losses savings are accrued from reduced production and pumping costs. Component 3 of the K-WISER project provides equipment and materials to support leakage detection as well as rehabilitation of the networks, and the training program of managers and senior staff will be correlated with the implementation of this component.
- Increasing the collection rate



- Collection rates remain at relatively low levels and need to be increased to ensure continued viability of the RWCs. Both the revenue collected in relation to bills issued and the quantity of water actually billed are important factors in increasing revenue. We are working directly with collection staff to improve the quality of data, establish an accurate database of domestic meters, install and/or replace meters which will be followed by accurate meter reading. We have encouraged the establishment of control teams to check meter readings and highlight areas of improvement.
- Company development plans.
  - K-WISER is working with Hidrodrini and Hidroregjioni Jugor RWCs to prepare development plans in order to meet their objectives and which cover the issues mentioned above.

We are working with the companies to implement best practices in these areas to the RWC managers particularly identifying successful implementation methods that may be applicable in Kosovo. We are supporting the managers of Hidrodrini and Hidroregjioni Jugor in implementation of programs that are developed in this area.

c. *DELIVERABLES –TASK 2.1*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Completion
1	Establish core competences framework for all technical and managerial staff of RWCs	Report	April 30, 2010
2	Undertake training needs assessment outlining capacity gaps of each targeted RWC identified	Needs assessment report	Included in MIS report and in managerial strengths and weaknesses report

#### 5.4.2 Task 2.2 Strengthen Integrated Information Management for Enhanced RWC Performance

One critical element of utility performance for sustainability is effective information management. The project is working with each of the two RWCs to upgrade and strengthen their management of information to improve the efficiency and effectiveness of service delivery.

a. *OBJECTIVES*

- Tailored, well integrated information systems for management, maintenance, and planning in place at Hidroregjioni Jugor and Hidrodrini
- Hardware and Software Water Information Systems installed/upgraded
- Staff and management trained an all aspects of effective integrated information management for utility operations and planning

b. *PROGRESS*

During year one K-WISER has conducted a baseline assessment of existing systems and information flows to establish levels of effectiveness and obstacles to efficiency, and to identify future needs. Areas examined included operational and financial indicators, real time operations, plus demographic and geographic information.

Based on this assessment we have prioritized needs, and determined the required hardware/software systems.

We are currently developing an implementation plan, to include appropriate upgrades, modifications, or expansions to the existing WIS systems and prepare specifications so that installation and implementation can be carried out under Component 3 of the project.

As new equipment is installed, K-WISER will support the training of staff on the harnessing of WIS systems. We will support the implementation of management and information flow processes that will support increased efficiencies independent of the level of hardware provided and this is included in the project proposals being developed under Component 3.

c. *DELIVERABLES – TASK 2.2*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Planned completion
1	Baseline assessment of hardware, software and technical capacity for each targeted RWCs	Report	July 31, 2010
2	Prioritized needs assessment	Report	September 30, 2010

#### **5.4.3 Task 2.3: Strengthen Satellite Business (Operating) Units in Targeted RWCs**

The satellite offices of the targeted RWCs are extremely weak and are not functionally linked to headquarters operations in the most efficient and effective manner possible. K-WISER will

review, in conjunction with the management of the targeted water companies the potential for structural changes to focus the companies on technical achievement rather than geographical function.

a. *OBJECTIVES*

- Examples of fully integrated and well functioning satellite business units
- Replicable development support model.

b. *PROGRESS*

K-WISER has reviewed the operation of the satellite units, and established baseline operational activities and reporting processes to the head offices of each of the RWCs. The MIS systems that are proposed will give direct access to data by the operating units, and will also enable the setting up of business units which can then be monitored regarding progress.

K-WISER will review the possibilities of a function based management structure rather than the existing geographical one. The advantage of such a structure is that it provides for the development of focus on technical achievement rather than geographical targets.

c. *DELIVERABLES –TASK 2.3*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Planned completion
1	Needs assessment and gap analysis of business units	Report	April 30, 2010
2	Replicable development support model and protocols to complement the provision of data management tools	Report	Sept 30, 2010

#### **5.4.4 Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments**

Although MoUs exist between municipalities and RWCs, there remains lack of clarity on the roles of municipalities in relation to RWCs, and there is no clear understanding of the responsibilities of the relevant parties. The project has reviewed and analyzed existing MoUs in order to identify and clarify the roles and objectives of each party.

Most water companies have implemented MoUs with some or all of the municipalities in their supply area, as required by WWRO, with periods of agreement up to four years. In order not to disrupt the progress of these agreements it has been decided to implement this task so that renewals of MoUs trigger the changes. In the meantime K-WISER will hold developmental

workshops with key stakeholders throughout the year to discuss the recommendations made in the report on MoUs prepared by the project.

a. *OBJECTIVE*

- Strengthen working relationships between RWCs and member municipalities in the planning and governance of water supply and sanitation services.

b. *PROGRESS*

K-WISER has carried out a detailed review of the existing MoUs between Regional Water Companies and municipalities and has proposed amendments to them.

This matter is one of considerable debate between municipalities and stakeholders in the water sector including central government, water companies, the water task force and others, due to an ambiguity in the Laws concerning Local Self Government and Publicly Owned Enterprises. Some municipalities consider that they have the right (and even duty) to provide water supply and sanitation services under the Law on Local Self Government whereas the Law on Publicly Owned Enterprises gives the duty of provision of the service to the Regional Water Companies. This has meant that implementation of this task has been considerably more difficult than anticipated with a number of key players being involved.

K-WISER has held a seminar with the Company Secretaries of the RWCs and established an agreed format and content for the MoUs, with the next steps being to discuss this with a broader audience.

The water task force and the WWRO are also concerned with this issue and it has been considered prudent to coordinate activities to ensure consistency of inputs and approach. It is also recognized that the period of the existing MoUs that have been signed is up to four years and it is therefore sensible to revise the MoUs when they are due for renewal rather than in mid-term, particularly when there is potential for raising further argument.

Some of the tasks listed are therefore delayed whilst the political issues are resolved.

c. *DELIVERABLES – TASK 2.4*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Completion
1	Review existing MoUs between RWCs and municipalities	Report	30 April 2010
2	Prepare model MoU	Workshop	30 July 2010
3	Establish MoUs between RWCs and municipalities to outline mutual roles and responsibilities with respect to planning, review and clearances, etc.	Report	31 Aug. 2010

4	Joint training programs to build the capacity of RWC and municipal staff in selected areas of water supply and sanitation planning, budgeting, customer relations, etc.	Training program to commence	Delayed to allow for coordinated approach
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#### 5.4.5 Task 2.5 Enhance public awareness and consumer behavior change to support more effective water supply delivery and sustainable water resources management in RWCs

The lack of public awareness affects the collection rates and sustainability of the RWCs. The project is assisting the RWCs to develop public participation and feedback systems.

##### a. *OBJECTIVE*

- Improve citizen behavior to protect available water resources quality and quantity
- Individuals follow applicable laws and act to protect surrounding water resources
- Increased voluntary payments by customers to the RWCs
- Improved transparency and accountability of the RWCs to customers.

##### b. *PROGRESS*

RWCs are committed to improving revenue collection and have used various methods to encourage customers to pay bills, with some degree of success. K-WISER undertook a review of awareness campaigns carried out by the Regional water companies. None of the companies were carrying out any public campaigns although some had taken place in the past. It was clear that the campaigns did not lead to any significant changes in customer behavior, with no visible increase in payments by customers. It has been concluded that without an integrated approach which includes a disconnection policy, then awareness campaigns are likely to fail. K-WISER is working with the customer departments of Hidrodrini and Hidroregjioni Jugor RWCs to develop coordinated approaches to improving customer payments.

The K-WISER team has worked together with the staff of the companies to develop and improve practices including improved meter reading, accurate billing and data collection as well as ensuring that existing records are up to date. This process requires significant input from the project and from the staff of the companies, but it is clear that without accurate and timely meter readings and billing customers will take the opportunity to minimize their payments to the companies.

##### c. *DELIVERABLES – TASK 2.5*

The following deliverables were scheduled for completion during the first year of the project:

No	Task	Output	Planned
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			<b>completion</b>
1	Review of prior public awareness and collection efforts.	Report	April 30 2010
2	A full social marketing and behavior change program	Workshop	Sept 17, 2010
4	Provide support to RWCs to implement behavioral change program	Start of program	31 March 2010

## 5.5 COMPONENT 3

Component 3 focuses on interventions to support the Hidrodrini and Hidroregjioni Jugor RWCs to improve their operation of the network and system through the provision of equipment and renewal and/or refurbishment of parts of the network. Activities within the two tasks within Component 3 are closely linked and a common approach is being taken by K-WISER.

**Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs**

**Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability**

### 5.5.1 Objectives

#### Task 3.1

- Achievement of up to a 15% reduction in technical water losses in Hidroregjioni Jugor, and up to a 5% reduction in Hidrodrini as a result of implemented investments replacing or rehabilitating the water supply distribution network
- Systematic Identification and development of high-priority infrastructure investments impacting technical losses in the short to medium term
- Awarding of up to US \$2.1 million worth of investments in infrastructure and services via the Grants under Contract mechanism administered through K-WISER.

#### Task 3.2

- Water and energy savings in the operations of the two targeted RWCs as a result of upgraded/replaced equipment
- Systematic identification and prioritization of infrastructure investments impacting operational efficiency
- Awarding of up to US \$2.1 million worth of investments in technical equipment and services supporting efficiency and sustainability improvements (pumps, meters, etc.) via the Grants under Contract mechanism administered through K-WISER.

### 5.5.2 Progress

Significant progress was achieved during the first year of the project, particularly in relation to preparing both Hidrodrini and Hidroregjioni Jugor RWCs for the strict criteria to be met before infrastructure work could be started. Contracts for the first two projects were awarded in August of 2010, with work commencing on the first project in Prizren, in early October 2010 following delivery of pipes.

The process of development and implementation of schemes has been more complex than originally anticipated and this has led to a slight delay in commencing site work on the infrastructure projects. Particular issues have included obtaining sufficient technical data for assessment of schemes to ensure compliance with criteria e.g. clear advantage in reducing leakage and/or increasing revenue, and ensuring that detailed environmental reviews are carried out and that contractors and construction supervisors clearly understand the strict requirements related to environmental issues. These issues are more clearly understood and have been taken into account in planning year 2 activities.

One pilot project was developed in each Regional Water Company, to help develop procedures and identify any obstacles to undertaking the work. The process also helped the management of the water companies to appreciate the criteria that would need to be met to enable the projects to be implemented. The staff of the companies have been very helpful although the management hiatus in Prizren RWC during the first part of 2010 did cause some difficulty in obtaining information to allow the project to proceed. The preparation of the requests for approval and environmental reviews were carried out in accordance with USAID procedures and approvals given in April 2010. Subsequently design contracts were awarded, technical specifications prepared and invitations to tender were issued through advertisements in newspapers.

The projects were Emin Duraku in Prizren, and Sahat Kulla in Peja.

#### *Emin Duraku project*

The rehabilitation works consist of the replacement of an existing water distribution pipe along the Prizren City water supply network that is aging, leaky, and inadequate to meet growing demand. The 40 year-old Asbestos Cement (AC) distribution pipe with the Outside Diameter (OD) 90 mm will be replaced with High Density Polyethylene (HDPE) pipe in length of 680 m. The proposed works encompass the replacement of 680 m of a 40 year-old asbestos-cement (AC) distribution pipe currently of OD 90 mm. The “Emin Duraku” distribution segment serves 368 connections/customers in all, or about 2,760 inhabitants, representing 1.6% of the total number of inhabitants served by the Prizren municipal supply network.

Figure 5.1 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The path of the **replacement segment** is shown in **BLUE**.

**Figure 5.1**

**Location of Proposed Emin Duraku Distribution Pipe Superimposed on Aerial Map**



USAID approval was given on 22<sup>nd</sup> of April 2010

Design contract awarded (after offers were invited and evaluated) on 11/05/2010

Design completed 17/06/2010

Construction contract advertized 19<sup>th</sup> of June 2010

Evaluation of offers for construction 12<sup>th</sup> of July 2010

Award of contract on 1<sup>st</sup> of September 2010

Work has started on site for this project and is progressing well, as of the date of this report.





Work progressing on Emin Duraku project despite very narrow roads

The progress of this project and that of Sahat Kulla in Peja has provided valuable information concerning timing and implementation of the various stages of the work, which have been taken into account in the program for the second year of the project.

#### *Sahat Kulla project in Peja*

The proposed rehabilitation works consist of three components to be implemented in two phases along the Peja municipal water supply network:

Works under Phase I encompass:

Replacement of 1730m of 40 year-old Asbestos Cement (AC) Outside Diameter (OD) 350 mm trunk main with High Density Polyethylene (HDPE) and

Addition of a HDPE distribution branch, shadowing portion of the new HDPE trunk, to serve connections along this segment

Under Phase II, a 200m branch running from the trunk main, servicing customers along a side street (Xheladin Hana St ) that is currently of AC DN 200 mm will be replaced with an HDPE pipe of the same length.

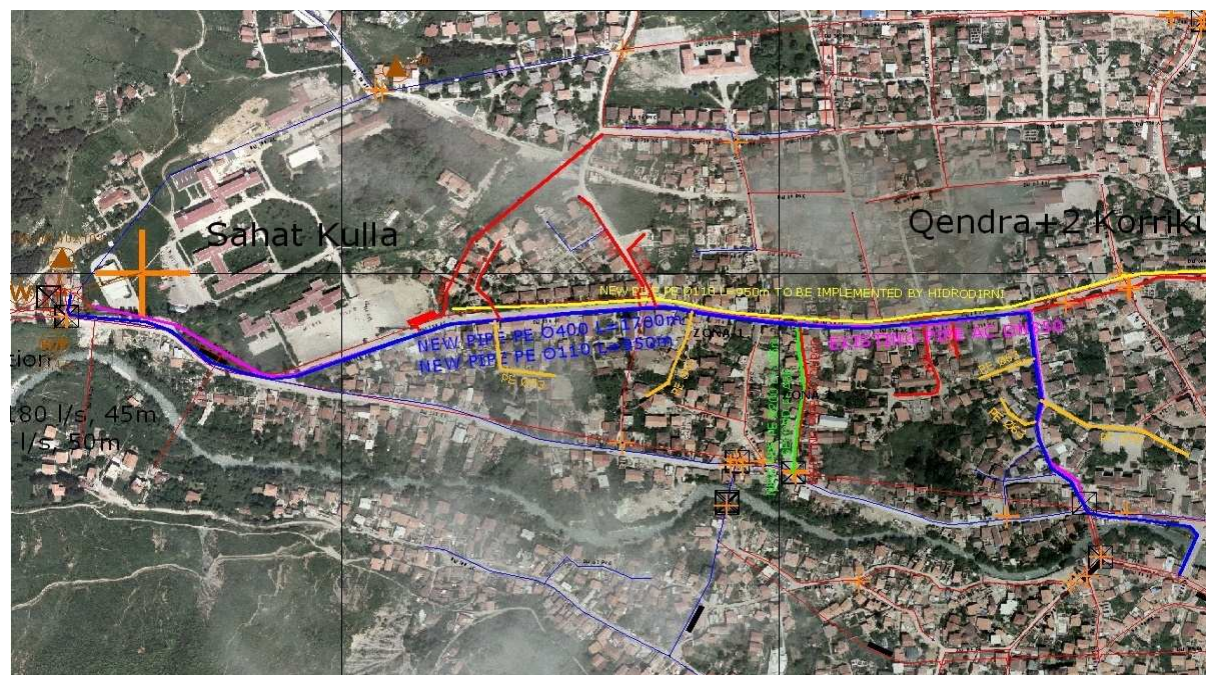
The “Sahat Kulla” trunk main forms a segment of a network ring that serves 3,157 customers in all, or about 17,364 inhabitants, representing 29% of the total number of inhabitants served by the Peja municipal supply network. The existing trunk main and distribution branch pipe slated for replacement include service connections that were often completed to inadequate specifications. In fact, a 350 mm trunk main should not be tapped to directly supply service connections. This has contributed the high frequency of leaks experienced along the project location. The additional HDPE pipe, shadowing portion of the new HDPE trunk, will be used for an about 25 service connections for the customers alongside the pipe path in length of 960 m.

Figure 5.2 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The planned path of the **new trunk main** is shown in **BLUE**. The distribution pipe will shadow most of the path of the new trunk main, beginning with the residential zone and

ending just before the new trunk main crosses the Lumbardh River. The **Phase II branch** running along Xheladin Hana St. is shown in **GREEN**.

**Figure 5.2**

**Path of Sahat Kulla Trunk Main Superimposed on Aerial Map of Project Location**



USAID approval was given on 22<sup>nd</sup> of April 2010

Design contract awarded (after offers were invited and evaluated) on 7<sup>th</sup> of May 2010

Design completed on 17<sup>th</sup> of June 2010

Construction contract advertized on 19<sup>th</sup> of June 2010

Evaluation of offers for construction was done on 13<sup>th</sup> of July 2010

Award of contract on 30<sup>th</sup> of August 2010

This particular contract has been delayed due to a failure to reach agreement with the appointed contractor concerning pricing following a change of pipe specification, together with the contractors claim that he had made an error in pricing the original offer. This failure to agree led to cancellation of the contract. K-WISER has invited offers for the revised project from the previously technically compliant bidders.

Other projects have been developed during the first year of the K-WISER project including two projects in Prizren and a further project in Peja. Other projects in Peja region are to be developed in the first quarter of the second year of the project. Projects already developed include Bujar Godeni and Haziz Ismail, both in Prizren and Zatrati in Peja.

*Bujar Godeni project*

The proposed rehabilitation works consist of the replacement of a 241 m stretch of 30+ year-old

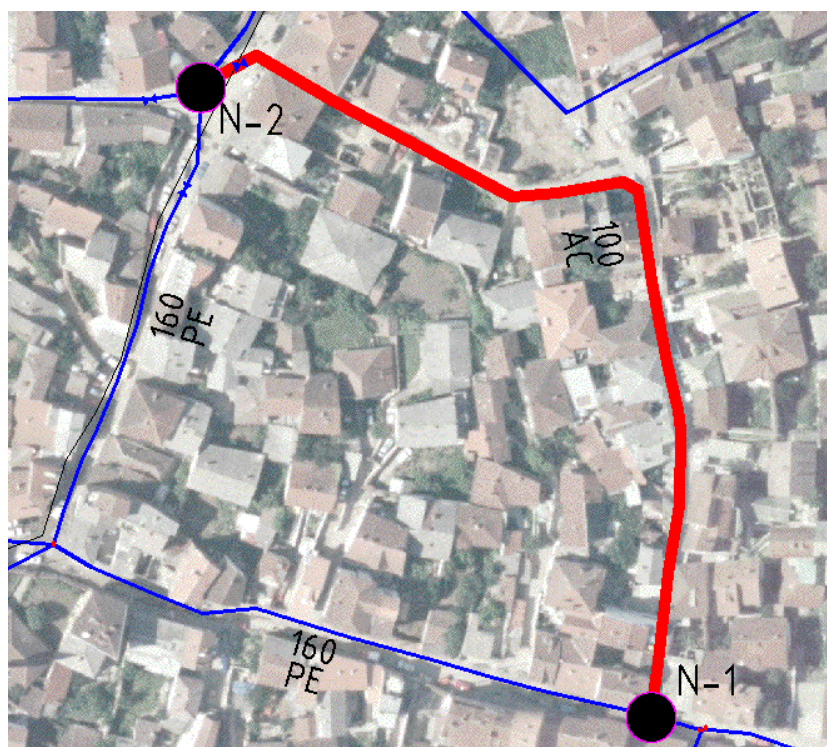


Asbestos Cement (AC) Outside Diameter (OD) 100 mm distribution pipe with HDPE OD 160 mm.

The “Bujar Godeni” distribution segment currently supplies 56 residential and 12 commercial connections/customers in all, or about 510 inhabitants. After rehabilitation, the new segment will supply 78 connections in all, or about 585 inhabitants.

Figure 5.3 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The planned path of the **replacement segment** is represented by the thick **red** line.

**Figure 5.3**  
**Location of Proposed Bujar Godeni Distribution Pipe Superimposed on Aerial Map**



The request for approval and environmental review were forwarded to USAID on August 15, 2010 and approval received on September 3, 2010.

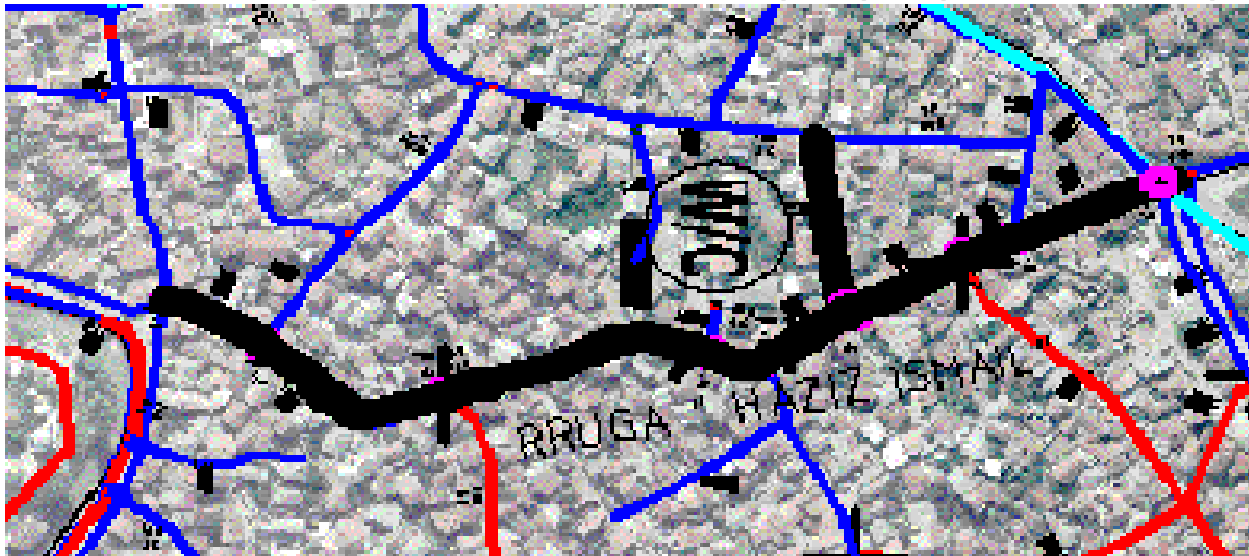
#### *Haziz Ismail project*

The proposed works encompass the replacement of 650 m of a 30+ year-old asbestos-cement (AC) distribution pipe of OD 100 mm. The “Haziz Ismail” distribution segment currently supplies 204 connections/customers in all, or about 1,530 inhabitants, representing 0.86% of the total number of inhabitants served by the Prizren municipal supply network. After rehabilitation, the new segment will supply 254 connections in all, or about 1,905 inhabitants, representing 1.08% of the total population. The increase in capacity will also help alleviate a local network distribution bottleneck. The increase in pipe capacity resulting from the replacement of the existing OD 100mm with OD 300mm will thus remedy three current short-comings along the segment:

inadequate delivery capacity of the pipe to supply existing customers,  
 insufficient delivery capacity to accommodate anticipated growth in demand along the segment, and  
 insufficient capacity to supply smaller distribution pipes (ranging from OD 80mm to OD 100 mm) fed by the segment.  
 Figure 5.4 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The planned path of the **replacement segment** is represented by the thick black line.

**Figure 5.4**

**Location of Proposed Haziz Ismail Distribution Pipe Superimposed on Aerial Map**



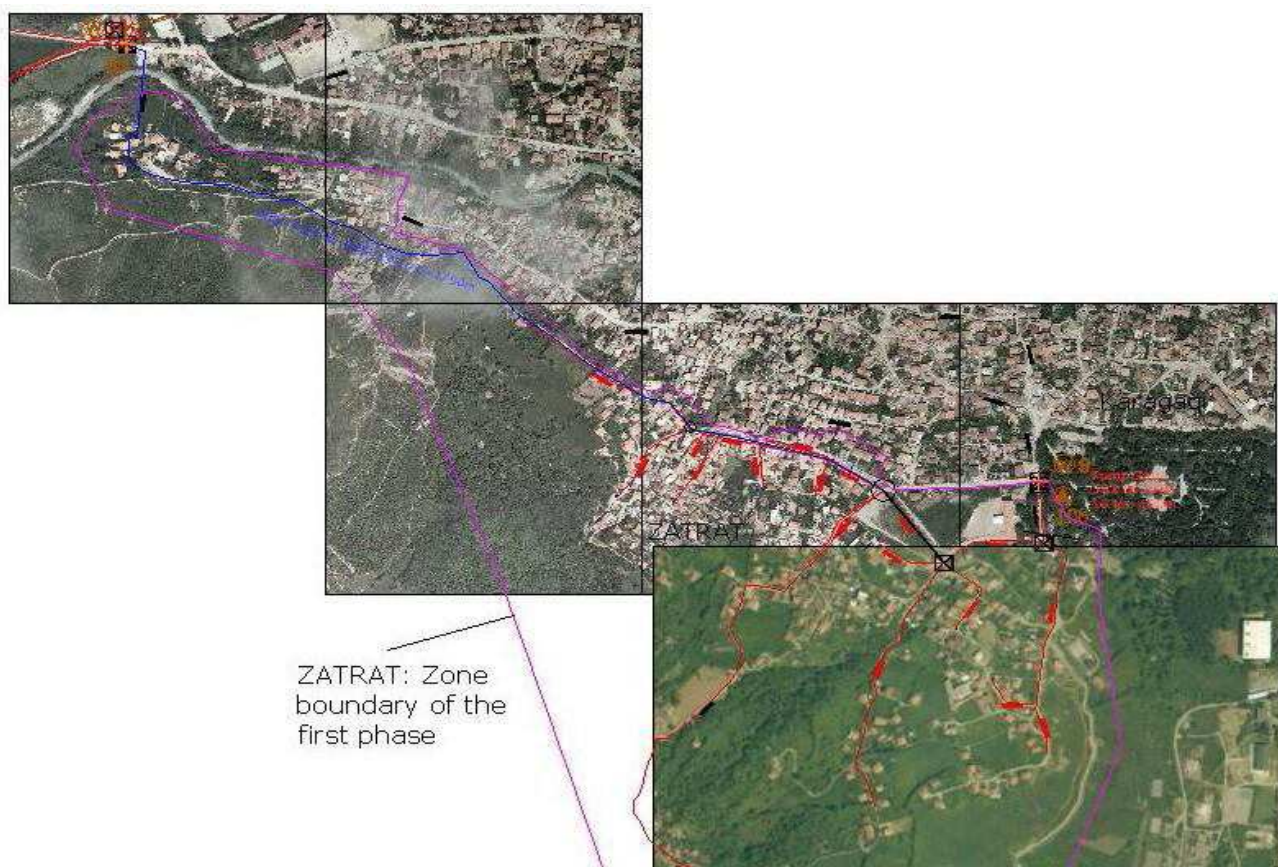
The request for approval and environmental review were forwarded to USAID on August 9, 2010 and approval received on September 3, 2010.

#### *Zatrat project in Peja*

Proposed works encompass the establishment of a new 1750 m supply main of OD 250 mm. The segment would supply an area known as the 'Upper Pressure Zone 2' (UPZ2) covering an area of 8.8 hectares and serving about 370 customer and 2,000 inhabitants, representing 3% of the total number of inhabitants served by the Peja municipal supply network.

Figure 5.6 below shows an aerial map of the proposed project site with the planned main pipe highlighted. The planned path of the **new trunk main** is shown in **BLUE**. The **PURPLE** boundary shows the 8.8 ha **area that will be served** by the planned 1,750 mm supply main.

**Figure 5.6**  
**Aerial view of Zatrata project**



The request for approval and the environmental review was submitted to USAID on September 22, 2010.

#### *Suhareka project*

K-WISER has been working closely with the Mayor of Suhareka and the Hidroregjioni Jugor RWC to develop a scheme in Suhareka to improve water supplies to the town and at the same time reduce illegal connections. Due to funding levels within K-WISER agreement has been sought from third parties to co-fund the project, and at the end of the project year it was confirmed that the municipality would arrange 50% of the funding requirements.

### *Equipment projects in Hidrodrini and Hidroregjioni Jugor RWCs*

Following the investigative work done under Component 2 of the K-WISER project a needs analysis was prepared for Management Information Systems, as well as equipment related to leakage detection. Specifications have been prepared for the MIS and the request for approval and environmental reviews have been in preparation during the third quarter of year 1 of the project. These are to be submitted to USAID shortly.

### **5.5.3 Deliverables – Task 3.1 & 3.2**

<b>No</b>	<b>Task</b>	<b>Output</b>	<b>Completion</b>
1	<i>Technical Baseline Performance Assessment</i> of Hidroregjioni and Hidrodrini (including all satellites) – in conjunction with Component 2's baseline of managerial and technical staff performance	Report	Both companies April 30, 2010
2	<i>Defined Set of Performance Criteria/Targets</i> as incentives for RWCs to realize institutional reform	Report	Both companies April 30, 2010
3	<i>List of Infrastructure Investments</i> reviewed, refined, and prioritized – with Component 2 capacity building and training needs	Report	Both companies July 31, 2010
4	<i>Final Priority Investment Implementation Plan and Budget</i> for the two RWCs – with Component 2 <ul style="list-style-type: none"> <li>For 3.2 – Purchase of technical equipment to help measure and improve system performance</li> <li>For 3.1 – Targeted investments to rapidly reduce technical losses and rehabilitate infrastructure</li> <li>Training investments complementing equipment/systems installation</li> </ul>	Investment plan	Both companies July 31, 2010
5	<i>Grants under Contract Intermediate Outputs</i> , execution of Investment Plan: <ul style="list-style-type: none"> <li>Grants documents (tendering, evaluation, procurement, implementation)</li> <li>Environmental Compliance – ERs, EAs, MMPs (see Section 4)</li> </ul>	Relevant documents	Appropriate for each grant project
6	Staff training modules developed and delivered in O&M of new equipment	TBD	TBD
7	Implement pilot projects in Hidrodrini and Hidroregjioni Jugor	Award of	August 31,

No	Task	Output	Completion
		contracts  Commencement of work on site	2010  October 6, 2010

## 6 ANNEXE 1 PROJECT ACCOMPLISHMENTS

Chapter 4 of this report gives a detailed breakdown of progress against targets. The following tables provide a summary of progress based on the initial life-of-program report.

### Task 1.1

No	Task	Output	Planned completion	Status
1	Analysis and recommendations on improvements to the selection process for RWC Board members	Report	Dec 30, 2010	Yr 2 action. On target
2	Discussions with stakeholders on selection processes	Seminar	Dec 30, 2010	Yr 2 action. On target
3	Draft of revised rules and procedures for Boards	Report	April 30, 2010	Delayed to Yr 2
4	Analysis of professional development needs of RWC Board members	Report	April 30, 2010	Completed
5	Short- and long-term training for RWC Board members on best practice in corporate governance of water supply, sanitation, and wastewater utilities	1 <sup>st</sup> training course  Subsequent training courses	May 14, 2010  As required	Training commenced on target. On-going to meet needs

### Task 1.2

No	Task	Output	Planned completion	Status
1	Analysis and recommendations for reforming current legal/regulatory frameworks or institutional arrangements to facilitate private sector involvement in investment and management/operations of water supply and sanitation services	Report	July 15, 2010	Completed
2	Capacity building provided to POE-PMU, RWCs and Board members on alternative models of private sector participation in the water supply and sanitation sector as the basis for making decisions on the appropriate	Report  Presentation to stakeholders	Dec 31, 2010  31 Dec. 2010	Yr 2 action  On target



	structures to adopt			
3	Identify one PSP opportunity and implement with the RWC	PSP contract	30 Aug. 2012	Yr 2 and 3 action On target
4	Analysis of shortfalls in KPI reporting by targeted RWCs to WWRO	Report	30 June 2010	Analysis completed and interim report prepared. August 2010

### Task 1.3

No	Task	Output	Planned completion	Status
1	Detailed review of RWC managerial strengths and weaknesses	Report	July 30, 2010	Completed
2	Regular national workshops in conjunction with SHUKOS to facilitate information sharing among RWCs	Workshops held every two months	1 <sup>st</sup> workshop Sept 17, 2010	First workshop to be in October 2010 due to other obligations of RWCs
3	Twinning programs with international utilities or operators associations to bring international experience in utility reform to RWCs	1 twinning arrangement in place	31 Dec. 2011	Yr 3 action On target
4	Short- and long-term training programs for water and sanitation managers and senior technical staff, to be established in Kosovo institutions.	Report	Sept 30, 2010	Delayed as this is objective of water task force. K-WISER cooperating with wtf.
5	Development of training modules for	1 <sup>st</sup> training	30 June	Delayed to

	customer-focused work	course	2010	yr 2
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#### Task 1.4

No	Task	Output	Planned completion	Status
1	A model Code of Practice for RWCs on customer relations and engagement	Model code of practice	March 3, 2011	Yr 2 action. On target
2	Training and curricula/materials for continuing education of RWC staff nationwide on customer relations	Training materials  Training program on customer relations	March 31, 2011  1 <sup>st</sup> training course March 31, 2011	Yr 2 action. On target
3	Identify civil society organizations in the sector	Advertisement	May 31, 2011	Yr 2 action. On target
4	Training of civil society organizations on water supply and sanitation sector policy, budgeting and operational issues, and constructive approaches to civil society advocacy and oversight	1 <sup>st</sup> training course	June 30, 2011	Yr 2 action. On target
5	Review of customer services departments and development of model department in targeted RWC	Model customer services department operating	31 July 2011	Yr 2 action. On target

#### Task 2.1

No	Task	Output	Planned completion	Status
1	Establish core competences framework for all technical and managerial staff of RWCs	Report	April 30, 2010	Completed
2	Undertake training needs assessment outlining capacity gaps of each targeted RWC identified	Needs assessment report	Sept 17, 2010	Completed

3	Capacity building and training module to address skills gaps in each targeted RWC	Training program commences	Feb 28, 2011	Yr 2 action On target
4	Develop and introduce internal reporting/controlling systems	Report and implementation	March 31, 2011	Yr 2 action. On target

### Task 2.2

No	Task	Output	Planned completion	Status
1	Baseline assessment of hardware, software and technical capacity for each targeted RWCs	Report	April 30, 2010	Completed
2	Prioritized needs assessment	Report	June 30, 2010	Completed
3	Installation of upgraded hardware and software needed in targeted RWCs		31 Dec. 2010	Yr 2 action. Actual installation depends on delivery times for equipment
4	Training on all aspects of effective integrated information management for utility operations and planning	1 <sup>st</sup> training course	Training schedule to be determined in conjunction with hardware installation	Related to hardware installation

### Task 2.3

No	Task	Output	Planned completion	Status
1	Needs assessment and gap analysis of business units	Report	April 30, 2010	Completed

2	Replicable development support model and protocols to complement the provision of data management tools	Report	Sept 30, 2010	Delayed due to discussions on structures
3	S/W and H/W installed and training conducted. SUs linked with H/Q	1 <sup>st</sup> training course	March 31, 2011	Yr 2 action. On target

#### Task 2.4

No	Task	Output	Planned completion	Status
1	Review existing MoUs between RWCs and municipalities	Report	30 April 2010	Completed
2	Prepare model MoU	Workshop	30 June 2010	Completed
3	Establish MoUs between RWCs and municipalities to outline mutual roles and responsibilities with respect to planning, review and clearances, etc.	Report	31 Aug. 2010	Delayed as current MoUs are 4 yr period. WTF also working on this issue
4	Joint training programs to build the capacity of RWC and municipal staff in selected areas of water supply and sanitation planning, budgeting, customer relations, etc.	Training program to commence	30 Sept. 2010	Delayed to integrate with WTF

#### Task 2.5

No	Task	Output	Planned completion	Status
1	Review of prior public awareness and collection efforts.	Report	April 30 2010	Completed
2	A full social marketing and behavior change program	Workshop	Sept 17, 2010	Workshop held.

				Program in development
3	Support materials to assist RWCs in developing public participation programs.	Report	Dec 31, 2010	Yr 2 action. On target
4	Provide support to RWCs to implement behavioral change program	Start of program	31 March 2010	Continuous program

### Task 3.1 and 3.2

No	Task	Output	Planned completion	Status
1	<i>Technical Baseline Performance Assessment</i> of Hidroregjioni and Hidrodrini (including all satellites) – in conjunction with Component 2's baseline of managerial and technical staff performance	Report	RWC 1: 31 March 2010 RWC 2: 30 June 2010	Completed
2	<i>Defined Set of Performance Criteria/Targets</i> as incentives for RWCs to realize institutional reform	Report	RWC 1: 15 April 2010 RWC 2: 15 July 2010	Completed
3	<i>List of Infrastructure Investments</i> reviewed, refined, and prioritized – with Component 2 capacity building and training needs	Report	RWC 1: 30 April 2010 RWC 2: 31 July 2010	Completed
4	<i>Final Priority Investment Implementation Plan and Budget</i> for the two RWCs – with Component 2 <ul style="list-style-type: none"> <li>For 3.2 – Purchase of technical equipment to help measure and improve system performance</li> <li>For 3.1 – Targeted investments to rapidly reduce technical losses and rehabilitate infrastructure</li> <li>Training investments complementing equipment/systems installation</li> </ul>	Investment plan	RWC 1: 15 May 2010 RWC 2: 15 August 2010	Completed
5	<i>Grants under Contract Intermediate Outputs</i> , execution of Investment Plan:	Relevant documents	Appropriate for each	Completed for each

No	Task	Output	Planned completion	Status
	<ul style="list-style-type: none"> <li>Grants documents (tendering, evaluation, procurement, implementation)</li> <li>Environmental Compliance – ERs, EAs, MMPs (see Section 4)</li> </ul>		grant project	project
6	Staff training modules developed and delivered in O&M of new equipment	TBD	TBD	Related to installation of equipment
7	Implement pilot projects in Hidrodrini and Hidroregjioni Jugor	Award of contracts  Commence ment of work on site	May 31, 2010  June 21,2010	Contracts awarded August 2010  Work commence d October 2010 in Prizren.

## **7 ANNEXE 2 – ANNUAL FINANCIAL STATUS**

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At the end of the first year of the project the financial status is:

<b>A.</b>	<b>Funds Obligated</b> <b>To Date: September 28, 2012</b>	\$6,500,000.00
<b>B.</b>	<b>Total Actual Expenditures at</b> <b>End of Previous Quarter</b>  (As of June 30, 2010)	\$519,208.01
<b>C.</b>	<b>Projected Expenditures for</b> <b>Current Quarter</b>  (July 1, 2010 – September 30, 2010)	\$246,969.27
<b>D.</b>	<b>Projected Life of Project</b> <b>Expenditures at End of Current</b> <b>Quarter (As of September 30,</b> <b>2010)</b>	\$766,177.28
<b>E.</b>	<b>Projected Balance of Funds at</b> <b>End of Current Quarter</b>  (As of September 30, 2010)	\$5,733,822.72

## **8 ANNEXE 3 – BIBLIOGRAPHY**

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The following documents have been provided to USAID in accordance with the Task Order:

<b>Document Title</b>	<b>Date of Submission</b>
Branding and Marking Plan	November 24, 2009
Grants Manual	December 12, 2009
Initial life-of-program work plan	December 22, 2009
First quarterly report	January 5, 2010
Memo on World Bank Kosovo water sector appraisal	January 21, 2010
Discussion document on water sector in Kosovo	March 25, 2010
Request for approval and environmental review of Sahat Kulla project – Peja	April 2, 2010
Second quarterly report	April 14, 2010
Request for approval and environmental review of Emin Duraku project – Prizren	April 19, 2010
Baseline study report	April 20, 2010
Report on core competencies of executive management teams	April 20, 2010
Performance Monitoring report	April 21, 2010
Report on Memoranda of Understanding between RWCs and municipalities	May 4, 2010
Third quarterly report	July 6, 2010
Report on private sector participation in the water sector in Kosovo	July 15, 2010
First quarterly report on performance indicators	July 30, 2010
Request for approval and environmental review of Bujar Godeni project – Prizren	August 17, 2010



Request for approval and environmental review of Haziz Ismail project – Prizren	August 17, 2010
Second year work plan	August 31,2010
Request for approval and environmental review of Zatrati project – Peja	September 22, 2010
Report on strengths and weaknesses of RWC management teams	October 4, 2010

## **9 ANNEXE 4 – LIST OF TECHNICAL ASSISTANCE**

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Technical assistance activities are a significant part of the project and are described more fully in Chapter 4 of this report. A summary of particular activities undertaken by short term experts is included below.

### **9.1 Management information systems**

A review of existing systems was carried out and recommendations proposed for improvement of systems. Specifications have been prepared.

Expert: [REDACTED]

Duration: 25 days

Output: Recommendations for improvements. Specifications for equipment.

Problems encountered: None

### **9.2 KPI Reporting**

A review of existing reporting methodology and systems was undertaken.

Expert: [REDACTED]

Duration: 10 days and 40 days respectively

Outputs: Report on methodology. Recommendations for improvement.

Problems encountered: None

### **9.3 Energy Cost reduction**

Development of a program to reduce energy costs by installation of equipment and improved management. Project started in year one and is continuing.

Expert: [REDACTED]

Duration: 25 days in year 1 and 25 days in year 2.

Outputs Yr 1: Report on existing electrical installations

Problems encountered: None

## 10 ANNEXE 5 – TRAINING ACTIVITIES

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### Seminar for Members of Board of Directors

Date: February 5, 2010

Place: Regional Water Company “Pristina”, Prishtina

Company	Board of Directors
RWC Pristina	<div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div>
RWC Hidroregjioni Jugor, Prizren	<div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div>
RWC Hidrodrini RWC, Peja/Pec	<div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div> <div>██████████</div>
RWC Hidromorava, Gjilan	<div>██████████</div>

	<div></div> <div></div> <div></div> <div></div>
RWC Ujesjellesi Mitrovica	<div></div> <div></div> <div></div> <div></div> <div></div>
RWC Bifurkacioni, Ferizaj	<div></div> <div></div> <div></div>
RWC Radoniqi, Gjakova	<div></div> <div></div> <div></div> <div></div>

**Workshop: Ethics and Corporate Governance**

**Date: May 14, 2010**

**Place: Regional Water Company “Pristina”, Prishtina**

Company	Board of Directors
RWC Pristina	<div data-bbox="613 394 881 426"></div> <div data-bbox="613 457 773 489"></div> <div data-bbox="613 520 792 552"></div> <div data-bbox="613 583 760 615"></div>
RWC Hidroregjioni Jugor, Prizren	<div data-bbox="613 646 837 678"></div> <div data-bbox="613 709 732 741"></div> <div data-bbox="613 772 781 804"></div> <div data-bbox="613 835 743 867"></div> <div data-bbox="613 898 748 930"></div> <div data-bbox="613 961 768 993"></div>
RWC Hidromorava, Gjilan	<div data-bbox="613 1083 821 1115"></div> <div data-bbox="613 1146 760 1178"></div> <div data-bbox="613 1209 800 1241"></div> <div data-bbox="613 1272 768 1304"></div> <div data-bbox="613 1335 792 1367"></div>
RWC Hidrodrini RWC, Peja/Pec	<div data-bbox="613 1394 824 1425"></div> <div data-bbox="613 1457 789 1488"></div> <div data-bbox="613 1520 813 1551"></div> <div data-bbox="613 1583 764 1614"></div> <div data-bbox="613 1646 773 1677"></div>
RWC Ujesjellesi Mitrovica	<div data-bbox="613 1707 829 1738"></div> <div data-bbox="613 1770 805 1801"></div> <div data-bbox="613 1833 776 1864"></div>

	<div></div> <div></div>
RWC Bifurkacioni, Ferizaj	<div></div> <div></div>
RWC Radoniqi, Gjakova	<div></div> <div></div> <div></div> <div></div> <div></div>
WWRO	<div></div> <div></div>

### Workshop : Financial Statements

Date: May 18, 2010

Place: Water and Wastewater Regulatory Office, Pristina

Company	Members of Board of Directors
RWC Hidrodrini RWC, Peja/Pec	<div></div> <div></div> <div></div> <div></div>
RWC Hidroregjioni Jugor, Prizren	<div></div> <div></div>

RWC Hidromorava, Gjilan	<div></div> <div></div>
RWC Radoniqi, Gjakova	<div></div> <div></div> <div></div> <div></div> <div></div>

### Workshop: Financial Statements

Date: May 20, 2010

Place: Water and Wastewater Regulatory Office, Pristina

Company	Members of Board of Directors
RWC Pristina	<div></div> <div></div> <div></div> <div></div>
RWC Hidroregjioni Jugor, Prizren	<div></div> <div></div> <div></div>
RWC Hidromorava, Gjilan	<div></div> <div></div>
RWC Hidrodrini RWC, Peja/Pec	<div></div>

RWC Ujesjellesi Mitrovica	<div></div> <div></div> <div></div>
RWC Bifurkacioni, Ferizaj	<div></div> <div></div>

**Workshop: MoU between RWCs and Municipalities**

**Date: July 9, 2010**

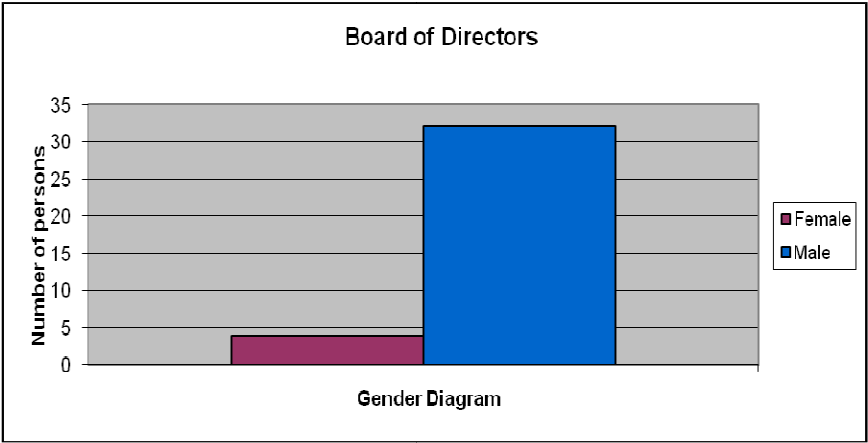
**Place: SHUKOS**

<i>Company</i>	<i>Corporate Secretary of the Regional Water Company</i>
RWC Pristina	<div></div>
RWC Hidrodrini RWC, Peja/Pec	<div></div>
RWC Hidroregjioni Jugor, Prizren	<div></div>
RWC Hidromorava, Gjilan	<div></div>
RWC Radoniqi, Gjakova	<div></div>
RWC Bifurkacioni, Ferizaj	<div></div>
RWC Ujesjellsi Mitrovica	<div></div>
Representatives from other Institutions	
POEPMU-MEF	<div></div>
WWRO	<div></div>

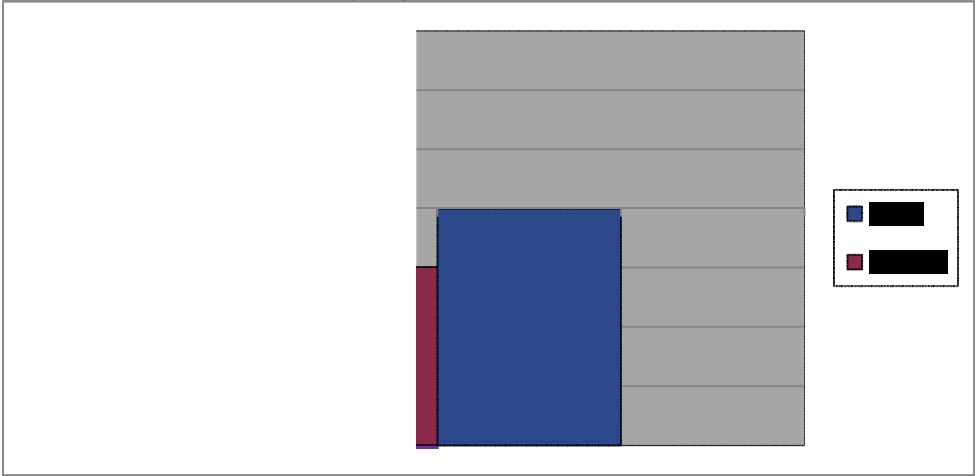


<b>SHUKOS</b>	██████████
<b>SHUKOS</b>	██████████

Gender breakdown of Boards of Directors



Gender breakdown of Company Secretaries



## 11 ANNEXE 6 – EQUIPMENT AND MATERIAL PURCHASED

Item Description	Unit Cost (EURO)	Unit Cost (USD)	Purchase Date	Exch. Rate (Date of Purchase)	Destination
Printer (HP DJ F2280)	62.00	\$ 91.26	11/12/2009	€ 1.47	K-WISER project
Photocopy machine (Canon PC D320)	299.14	\$ 450.42	12/9/2009	€ 1.51	K-WISER project
Printer (Samsung CLP-315, color printer)	126.90	\$ 191.07	12/9/2009	€ 1.51	K-WISER project
Lap top (Dell NB Inspiron 1545)	458.62	\$ 690.54	12/9/2009	€ 1.51	K-WISER project
Lap top (Dell NB Inspiron 1545)	458.62	\$ 690.54	12/9/2009	€ 1.51	K-WISER project
Desktop - Dell Optiplex 755	406.90	\$ 612.67	12/9/2009	€ 1.51	K-WISER project
Desktop - Dell Optiplex 755	406.90	\$ 612.67	12/9/2009	€ 1.51	K-WISER project
Desktop - Dell Optiplex 755	406.90	\$ 612.67	12/9/2009	€ 1.51	K-WISER project
Desktop - Dell Optiplex 755	406.90	\$ 612.67	12/9/2009	€ 1.51	K-WISER project
Monitor - Dell, 18.5" E1910H	112.93	\$ 170.04	12/9/2009	€ 1.51	K-WISER project
Monitor - Dell, 18.5" E1910H	112.93	\$ 170.04	12/9/2009	€ 1.51	K-WISER project
Monitor - Dell, 18.5" E1910H	112.93	\$ 170.04	12/9/2009	€ 1.51	K-WISER project
Monitor - Dell, 18.5" E1910H	112.93	\$ 170.04	12/9/2009	€ 1.51	K-WISER project
Shredder 360S - Rexel	44.83	\$ 64.44	1/22/2010	€ 1.44	K-WISER project
24 port network switch, 10/100MB	85.00	\$ 122.19	1/29/2010	€ 1.44	K-WISER project
Telephone switchboard 3CO, 8 extensions	350.00	\$ 503.13	1/29/2010	€ 1.44	K-WISER project
Main telephone with LCD display	118.00	\$ 169.63	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Telephone KX-TS50000	13.00	\$ 18.69	1/29/2010	€ 1.44	K-WISER project
Projector, EPSON EB-X72	413.79	\$ 562.34	2/26/2010	€ 1.36	K-WISER project
Server TX100S1, Interl Quad Core Xeon X3220	890.00	\$ 1,220.32	3/12/2010	€ 1.37	K-WISER project

UPS, APSX 1250 Tripp Lite inverter	650.00	\$ 891.25	3/12/2010	€ 1.37	K-WISER project
External HDD, 1TB, for regular backup of server data	145.00	\$ 198.82	3/12/2010	€ 1.37	K-WISER project
Microsoft Windows Server 2003, SBS (10 cli.pk.)	850.00	\$ 1,165.48	3/12/2010	€ 1.37	K-WISER project
Microsoft Office SB 2007, English (6 items)	1,668.00	\$ 2,287.08	3/12/2010	€ 1.37	K-WISER project
Individual Antivirus: One year subscription (6 items)	270.00	\$ 370.21	3/12/2010	€ 1.37	K-WISER project
Server Antivirus	150.00	\$ 205.67	3/12/2010	€ 1.37	K-WISER project
HP LaserJet M1522NF Multifunction	335.34	\$ 459.97	3/15/2010	€ 1.37	K-WISER project
Windows xp professional SP2 (2 items)	255.16	\$ 326.09	5/11/2010	€ 1.28	K-WISER project
Samsung Airconditioner AQ 18 FC	454.00	\$ 555.70	6/15/2010	€ 1.22	K-WISER project
Samsung Airconditioner AQ 09 SA	200.00	\$ 244.80	6/15/2010	€ 1.22	K-WISER project
Samsung Airconditioner AQ 09 SA	200.00	\$ 244.80	6/15/2010	€ 1.22	K-WISER project
Samsung Airconditioner AQ 09 SA	200.00	\$ 244.80	6/15/2010	€ 1.22	K-WISER project
Lap top (Gigabyte M1022G(1.66/1GB/160GB-GPRS)	308.62	\$ 420.65	10/1/2010	€ 1.36	K-WISER project
Windows Professional 7 32-bit, English	136.20	\$ 185.64	10/1/2010	€ 1.36	K-WISER project
F-Secure Antivirus 2010, 1 UserBox, Vollversion	34.00	\$ 46.34	10/1/2010	€ 1.36	K-WISER project
Microsoft Office SB 2007, English	234.48	\$ 319.60	10/1/2010	€ 1.36	K-WISER project
<b>TOTAL:</b>	<b>11,555.02</b>	<b>\$ 16,165.73</b>			

## **12 ANNEXE 7 – NARRATIVE SUCCESS STORIES**

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### **12.1 Narrative 1**

#### **BOARD OF DIRECTORS DEVELOPMENT PROGRAM**

The K-wiser project has successfully implemented a training and development program for members of the boards of directors of the seven regional water companies in Kosovo. The boards members were appointed after the incorporation of the water companies by the Government of Kosovo, in accordance with the Law on Publicly Owned Enterprises. This was the first time that many of the appointees had been appointed to a board, and the particular role of representing the citizens of Kosovo as owners and shareholders of the companies added an extra challenge.

The K-WISER project, funded by USAID, recognized this challenge and in conjunction with the Policy and Monitoring Unit for POEs of the Ministry of Finance and Economy, prepared a detailed training program for the 37 board members of the regional water companies. A separately funded USAID project had just completed preparation of an ethics code and guidance on responsibilities for board members and it was agreed that this should be incorporated into the training program.

The first objective was to understand the development needs of the board members and so a workshop was arranged in which the objectives of the K-WISER project were explained after which the participants were invited to take part in discussions based on situations which a board member could encounter, to work in small groups to identify specific needs and to brainstorm ideas for their role. The workshop clearly showed needs across all areas including, knowledge of the sector, financial understanding, business planning, resource management, target setting, sector reporting, roles of executive and non-executive directors etc.



At the seminar

Following this initial workshop the K-WISER team prepared a detailed training program which was rolled out starting in May 2010. The training included sessions on ethics, financial management and background to the water industry. All board members have attended the

training and are gaining understanding and experience of their roles as directors of the water companies.



Board members at Albaniku Water Treatment Plant Pristina



Formal training on financial matters

## 12.2 Narrative 2

### Improving Water supplies in Prizren

Lack of investment over many years has led to serious deficiencies in the water supply networks in many cities and towns in Kosovo, not least in Prizren where USAID is funding the K-WISER project to help build capacity of the infrastructure to meet the growing needs of the population of the ever expanding cities. Prizren has a high level of water losses from its old pipe network, and from a large number of illegal connections.

The objectives of K-WISER include reducing the amount of water lost through leakage and illegal use, thereby bringing a more sustained level of service to all customers. Replacement of out-dated infrastructure is one way in which the project is meeting these goals. Several pipe-lines in the Hidroregjioni Jugor RWC water supply area (the Prizren region) are in need of replacement and are included in the project program. These include Emin Duraku, Bujar Godeni and Haziz Ismail streets in Prizren and a major cross country pipe-line in Suhareka.

All of these projects go through a rigorous review for technical and environmental compliance before being approved for funding, after which a detailed design is prepared and a construction contract awarded. The first of these projects in Prizren, the Emin Duraku project has started and is well on the way to completion. The project uses local designers and construction companies to carry out the works.

The Emin Duraku project consists of the replacement of an existing water distribution pipe along the Prizren City water supply network that is aging, leaky, and inadequate to meet growing demand. The 40 year-old Asbestos Cement (AC) distribution pipe with the Outside Diameter (OD) 90 mm will be replaced with High Density Polyethylene (HDPE) pipe in length of 680 m.

The “Emin Duraku” distribution segment serves 368 connections/customers in all, or about 2,760 inhabitants, representing 1.6% of the total number of inhabitants served by the Prizren municipal supply network.

Figure 1 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The planned path of the [replacement segment](#) is shown in [BLUE](#).





Pipe-laying in the narrow streets of Prizren